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17 JUL 1963

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Deputy Directorate of Research

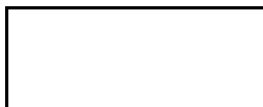
At your request I have studied the organization and problems of the DDR in the wake of Dr. Scoville's resignation. I spoke at length to a variety of people who had unusual knowledge or historical perspective on both the internal and external pressures on this organizational concept. It appears that there are two basic ways to organize research and development activities in CIA and to support you in discharging your community responsibilities as DCI.

Option 1

- a. Abolish the present DDR line organization, and
- b. Create a small R&D Review Staff reporting to the DCI.

This Staff would be similar to the DDR&E organization in Defense and would review the budget - and hence the program - for both CIA R&D activities and joint enterprises with Defense like NRO. If you elect to perform a careful review of the entire

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intelligence budget, this Staff would provide a necessary support to you on technical items in this over-all budget. One would also reintegrate the present line organizations, OEL, OSA and ORD, under other deputies. It is my understanding that you do not wish to exercise this option.

Option 2

- a. Create an improved DDR to carry out assigned responsibilities for actual research and development within CIA.
- b. Invest the DDR with review authority for all R&D items in the CIA budget, no matter where performed, and fund all R&D monies to DDR for transfer to the accomplishing component (i. e., TSD, Commo) as we now do with NRO.
- c. Designate the DDR as your delegate in reviewing the NRO budget and program to act jointly with Dr. Fubini who is McNamara's delegate, reserving for yourself final approval in parallel with McNamara.

An explicit decision must be made initially as to which R&D responsibilities should be assigned to and accomplished in DDR. The past year shows conclusively that neither you

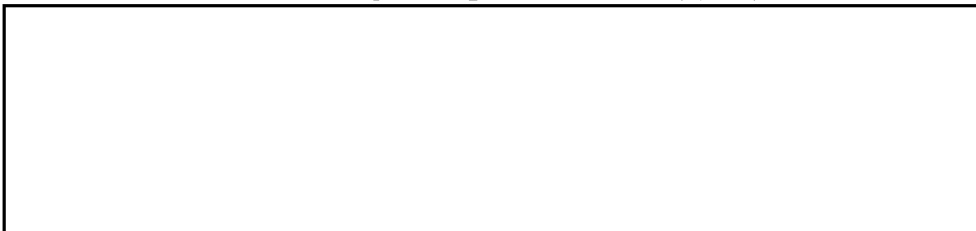
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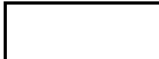
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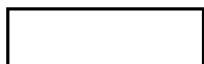
nor the other Deputy Directors are willing to assign all research and development to DDR. <sup>C</sup> This choice is yours, but I submit the following assignments as appropriate:



(2) All reconnaissance development and operations assigned to CIA by NRO.

(3) All computer development and scientific computation activities (i. e., 7090 utilization 

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(4) Development and operation of the MISTIC collection and analysis organization.

(5) Basic research and development for these assigned responsibilities.

(6) Basic research and development for NPIC, DDP, DDS, etc., as requested or as deemed appropriate in subsequent budget/program reviews. (See below.)



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[REDACTED]

[REDACTED]

[REDACTED]

It would also require that all or part of the Automatic Data Processing Staff in DDS be moved to DDR. The creation of MISTIC would also draw on skills and experience in the Office of Scientific Intelligence in DDI and would inevitably result in transfer of slots and people.

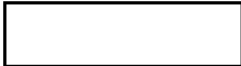
The second major responsibility for the DDR would be to review the total research and development budget of the CIA each year for the DDCI. It is assumed that the DDR would exercise a continuous technical and program surveillance through the R&D Committee, which he would chair. However, the real authority for agency-wide coordination of research and development would lie in the budget review responsibility. It would be clearly understood that the actual research would be carried out in the most appropriate group, as determined by the DDR and DDCI jointly. In many cases, close working relationships between TSD and the rest of DDP will suggest that unit. Common developments among several components may suggest DDR execution.

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I would strongly recommend that the entire research and development budget  for FY 64 plus OSI and ADP) be provided to DDR so that such an activity can be programmed and justified at one point, as we now do with NRO. DDR would then distribute these monies to TSD, Commo, OEL, ORD, etc., according to the certified plan. Requests for drafts on the Agency reserve could also be put in a similar perspective. This would leave the CIA free to shift existing funds to promising new projects during mid-year without crossing classical lines of command. Of course, such an arrangement could be exploited to the advantage of DDR at the expense of DDP, DDS and DDI - as can the NRO arrangement. Ultimately, its application would depend on the integrity and wisdom of the DDR and DDCI.

The third important feature of Option Two is the delegation of budgetary/program review for the NRP to the DDR by the DCI. The Secretary of Defense now delegates his responsibilities to Dr. Fubini, who influences the NRO program in depth and detail by virtue of his own close surveillance of the reconnaissance technology and the authority provided by his budgetary review.



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[REDACTED]

I believe that it is essential to balance the current Air Force and DOD domination of the NRO program. Certainly, the cursory review the DCI can provide - as an isolated individual - each year is not enough to insure that the best talents of CIA and DOD are brought to a focus on the right developments. Neither can Mr. McNamara by himself. In my view, we need to match Fubini's continuing technical review of the NRO program with a similar technical person working in a cooperative partnership toward achieving a national reconnaissance program. All things considered, a properly qualified DDR <sup>is</sup> best choice in our present organization structure.

To implement this feature of the option would require that you write directly to Mr. McNamara indicating your delegation of this review responsibility to the DDR. In view of apparent problems of communication in the Defense Department, it is essential that a copy of your letter be sent or forwarded to both Dr. Fubini and Dr. McMillan.

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[REDACTED]

ALBERT D. WHEELON  
Assistant Director  
Scientific Intelligence

cc: DDCI

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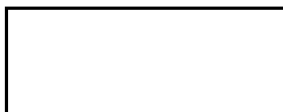


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### **SUPPLEMENTARY COMMENTS ON OSI**

It is recommended that the Office of Scientific Intelligence be transferred from DDI to DDR for a number of compelling reasons discussed with you. OSI would continue to use the DDI as its primary channel for reporting substantive intelligence and contributing to National Intelligence problems. This daily OSI support to OCI would work precisely as it now does. Scientific and technical contributions to the Board of National Estimates would go directly to ONE through the USIB Committees as they now do. OSI would continue to participate in interdisciplinary DDI memoranda via the Panel mechanism recently established. It would be hoped that OSI could stay integrated physically with the rest of DDI.

However, the DDI would be relieved of the management responsibility for OSI. OSI would be set in a scientific and technical environment which for management reasons is now absolutely essential. Selection of supervisors for OSI and decisions on re-organization would be made in an atmosphere of thorough understanding of its problem and common professional experience. I believe that



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such an arrangement could be made to work and would have several important benefits. Joint use of contractors [redacted] [redacted] would be simplified and bring analysis/development contracts under the general R&D budget review mechanism (see above). Joint use of the scientific computing center in DDR (see above) and its capabilities would be extremely useful. It would also facilitate short term utilization of OSI personnel on technical collection development and operations without requiring organizational boundary crossing. We are all agreed that a periodic rotation of scientific personnel between analysis development is highly desirable and now could be accomplished more easily and naturally within the same organization. An organizational fusing of analysis and development (not reporting) would ensure prompt technical feedback from foreign developments to our own programs. [redacted]

[redacted] Such a joint <sup>UNIT</sup> would enhance the contribution of OSI air defense analysis to current and future OSA development programs.

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